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Washington, DC 20548

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February 1, 2001

The Honorable Richard G. Lugar
Chairman

The Honorable Tom Harkin
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Larry Combest
Chairman

The Honorable Charles W. Stenholm
Ranking Minority Member
Committee on Agriculture
House of Representatives

Subject: Department of Agriculture, Commodity Credit Corporation: Farm Storage
Facility Loan Program

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Agriculture, Commodity Credit Corporation (CCC), entitled "Farm Storage Facility Loan Program" (RIN: 0560-AG00). We received the rule on January 16, 2001. It was published in the Federal Register as a final rule on January 18, 2001. 66 Fed. Reg. 4607.

The rule finalizes an interim rule implementing the CCC's Farm Storage Facility Loan Program. The interim rule was published in the Federal Register on May 11, 2000 (65 Fed. Reg. 30345) and was the subject of our major rule report dated May 24, 2000 (GAO/OGC-00-31). Based on the comments received on the interim rule, the CCC is making several changes and adding other provisions to the interim rule.

Enclosed is our assessment of the CCC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the CCC complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Bob Robinson, Managing Director, Natural Resources and Environment. Mr. Robinson can be reached at (202) 512-3841.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Administrator
Farm Service Agency
Department of Agriculture

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION
ENTITLED
"FARM STORAGE FACILITY LOAN PROGRAM"
(RIN: 0560-AG00)

(i) Cost-benefit analysis

The cost-benefit analysis appears unchanged from the interim rule because the loan amounts were set statutorily. The 5-year total dollar amount of the loans would be \$850 million. Non-administrative outlays and actual costs to the government due to potential defaults are estimated at 2.85 percent of the dollar amount of the loans. This results in a \$24 million outlay for the loans disbursed over the first 5 years. Administrative outlays associated with the program are projected to total about \$14.5 million over the same period.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

CCC has determined that the Act is not applicable to the rule since it was not required to be published as a notice of proposed rulemaking under 5 U.S.C. 553.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule does not contain an intergovernmental or private sector mandate, as defined in title II, of more than \$100 million in any one year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

CCC has determined that it would be impracticable, unnecessary, and contrary to the public interest to delay the effective date of the final rule because the rule affects the income of a large number of agricultural producers. This action permits the invocation of the exception at 5 U.S.C. 808 to the 60-day delay in the effective date of a major rule under the Congressional Review Act.

CCC received 272 comments in response to the interim rule, which it discusses in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The information collection that was described in the interim rule has been approved by the Office of Management and Budget (OMB) on an emergency basis and assigned OMB Control No. 0560-204.

Statutory authorization for the rule

The final rule is issued under the authority of section 4(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)).

Executive Order No. 12866

The final rule was reviewed by OMB and found to be an “economically significant” regulatory action under the order.

Executive Order No. 13132 (Federalism)

CCC has determined that the final rule does not have federalism implications under the order sufficient to warrant the preparation of a federalism assessment.